NORTH CENTRAL REGIONAL TRANSIT DISTRICT (NCRTD)
FINANCE SUBCOMMITTEE

January 23, 2015
9:00 a.m. - 11:00 a.m.

Executive Conference Room
1327 N. Riverside Drive
Espanola, NM 87532

AGENDA

CALL TO ORDER: Tim Vigil, Chair

Roll Call:

ITEMS FOR DISCUSSION/RECOMMENDATION

A. **Discussion and Review of FY2015 Mid-Year Budget**
Sponsor: Anthony Mortillaro, NCRTD Executive Director and Pat Lopez, (Acting) Finance Director. *Report will be issued on Tuesday, January 20, 2015.*

B. **Minutes from December 19, 2014**
Draft Minutes.

MATTERS FROM THE SUBCOMMITTEE

ADJOURN

If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language Interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing of the meeting, please contact the NCRTD Executive Assistant at 505-629-4702 at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats.

Memorandum

To: Finance Sub-Committee
From: Pat Lopez, Financial Analyst
Thru: Anthony J. Mortillaro, Executive Director
Date: January 16, 2015
Re: Mid-Year Budget Review

Background

The NCRTD fiscal year runs from July 1 to June 30 of the following calendar year. Before each fiscal year, the district submits and presents a budget request to the Board of Directors for its approval. Midway through the fiscal year, the staff will brief the Board on the status of the budget and propose any adjustments that might be required.

A mid-year budget briefing will be presented to the board in February.

Recommendation

Review and discuss the comparison of the actual/projected expenditures and revenues to the budget. Recommend briefing the Board of Directors as presented.

Attachments

Mid-year budget summary narrative and financial spreadsheets

North Central Regional Transit District
FY15 Mid-Year Financial Summary/Projection

Summary:
The North Central Regional Transit District (NCRTD) is currently reporting six months of financial activity. The standard for expenses and revenues for the six-month period is 50% of the budget.

The total budget is $10,254,126, which includes a $494,200 budget increase that was approved by the Board of Directors at its January 9, 2014 meeting. The increase consists of $384,878 in FTA 5311 federal funding for tribal transit operating expenditures and $109,322 in cash balance carryover to purchase a bus and for a service contract to implement the five-year short-range service plan.

The NCRTD is projected to have a surplus of $92,441 in gross receipts tax (GRT) revenue in FY15. Revenues from federal funds, Los Alamos contributions, state capital outlay appropriations and miscellaneous income are expected to meet budget.

As of December 31, 2014, expenditures were 34.8% of the budget, well below the 50% threshold. The percentage is low because Invoices for the second quarter from Non-RTD services are expected to be received in January 2015. NCRTD expects to have a $100,535 surplus by year end.

NCRTD will continue operating as budgeted by monitoring cash flow, and no plan of action is recommended at this time. The NCRTD staff will keep the board apprised of any significant changes that might occur during the FY15 budget.

Financial Facts and Projections

Revenue:
NCRTD is reporting year-to-date actuals for revenues as of December 31, 2014, including projections through June 30, 2015.

Gross Receipt Tax (GRT):

- Los Alamos County: The revenue deficit is $52,362 for the first four months of FY15. An all-time low of $29,878 (other than months with credits) was collected for the month of October, due partially to the start of the new federal fiscal year for the Los Alamos Labs. The revenue for the remainder of the fiscal year is projected to be 10% below budget (averaging 10.2% below budget for the first 4 months), which results in a deficit of $134,448 by year end.
- Rio Arriba County: The first four months of FY15 actual revenue is averaging nearly 1% above budget. Revenues for the remaining eight months are projected at 100% of the budget, a surplus of 1,594 by the end of FY15.
- Santa Fe County: The average for the first four months of FY15 is 4% above budget, and 3.5% above the budget for the remainder of FY15. The FY15 end-of-the year surplus is projected to be $156,761. Half of this surplus will be transferred to the Rio Metro Transit District for the Rail Runner operation, which is reflected in the expenditure projections.
- Taos County: The first four months of FY15 is averaging 10.1% above the budget and 8% for the remainder of FY15. The FY15 end-of-the year surplus is projected to be $68,533.

Summary of GRT Projections for Remaining 8 Months:

- Los Alamos County – Minus 8%
- Rio Arriba County – Even
- Santa Fe County – Increase of 3.5%.
- Taos County – Increase of 8%.

The surplus at year-end of FY15 is projected to be $92,441

Grant Revenue: The board approved a federal grant revenue increase of $384,378 for the 5311 FTA Tribal Transit federal funding. All federal fund programs are anticipated to be expended and the revenues will be received on a reimbursement basis.

Auction Vehicles/Misc.: NCRTD anticipates $60,000 in proceeds from the sale of auctioned vehicles, transit fares, bank and investment income, insurance proceeds, advertising sales and miscellaneous revenue.

Expenditures:

The NCRTD accounted for all the expenditures as of December 31, 2014 and closely reviewed all the line items related to Administration, Operations, Non-RTD and Capital accounts. NCRTD is closely monitoring its current and projected expenditures for the remainder of FY15.

The NCRTD will have an expenditure surplus of $100,535 at the end of FY15 due to vacancy savings and supplemental tribal federal fund allocations. The deficit in the Non-RTD expenditures of $78,381 is offset from the revenue that is anticipated from Santa Fe County since half of GRT income goes to the Rail Runner (Rio Metro Transit District).

Revenue/Expenditures:

The overall surplus of expenditures and revenues for FY15 is forecasted to be $192,976.

Plan of Action:

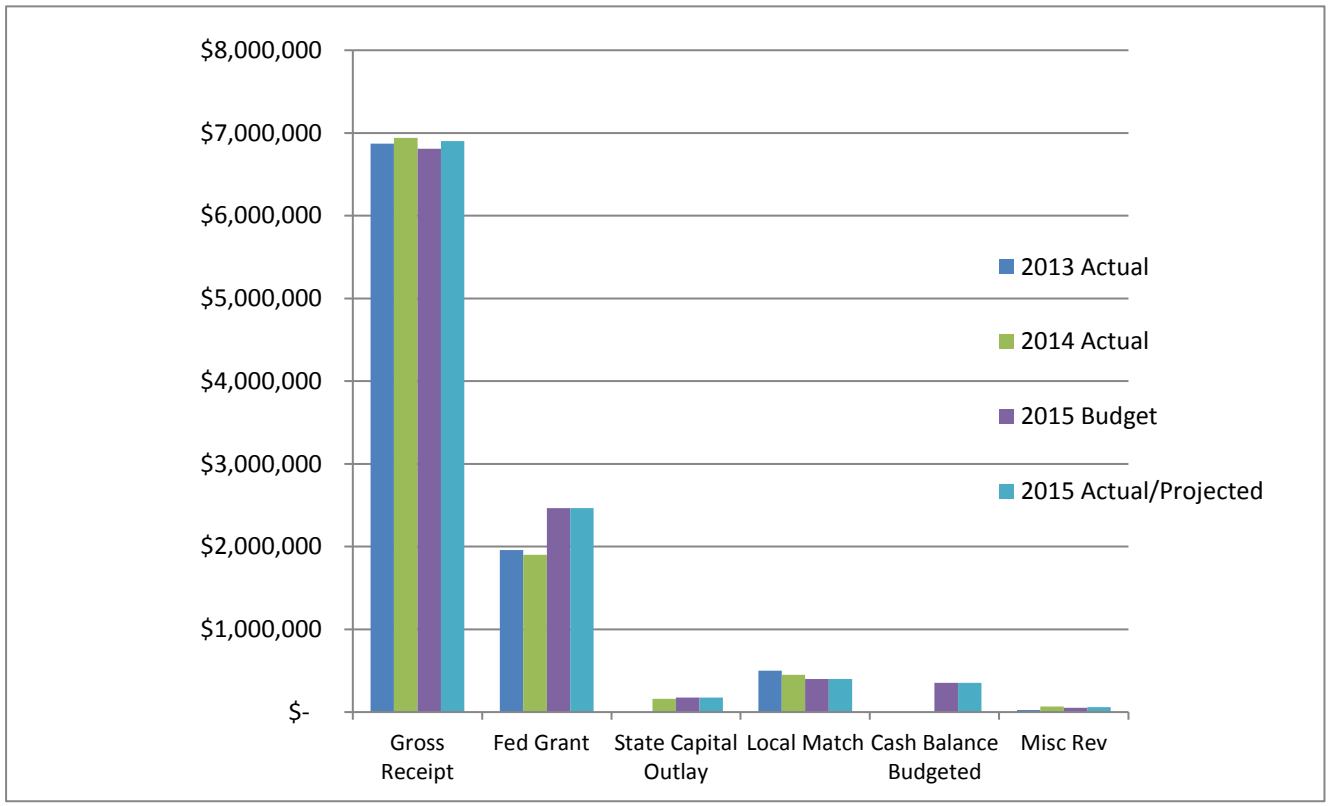
The NCRTD will continue to maintain a balanced budget for the remainder of FY15 and will apprise the Board of any dramatic changes.

Mid-Year Budget Review and Projections

FY2015 (July 1, 2014 to June 30, 2015)

NCRTD Revenue by Sources

As of December 31, 2014



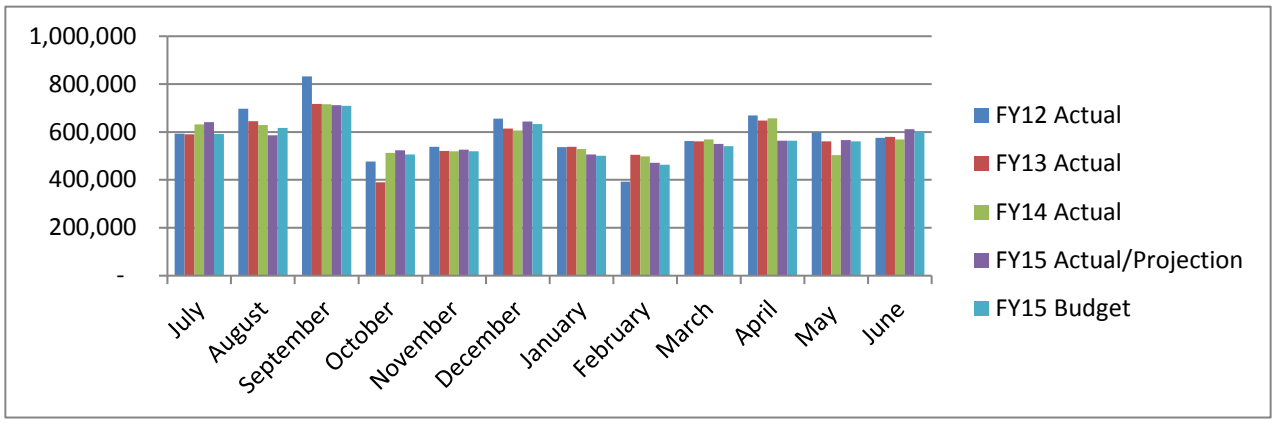
	2013 Actual	2014 Actual	2015 Budget	2015 Actual/Projected	% of Actual vs budget
Gross Receipt	$ 6,871,271	$ 6,941,122	$ 6,809,100	$ 6,901,541	101.4%
Fed Grant	$ 1,957,128	$ 1,902,036	$ 2,465,268	$ 2,465,268	100.0%
State Capital Outlay	$ -	$ 161,188	$ 175,000	$ 175,000	100.0%
Local Match	$ 500,000	$ 450,000	$ 400,000	$ 400,000	100.0%
Cash Balance Budgeted	$ -	$ -	$ 354,758	$ 354,758	100.0%
Misc Rev	$ 24,312	$ 67,725	$ 50,000	$ 60,000	120.0%
TOTAL	$ 9,352,711	$ 9,522,071	$ 10,254,126	$ 10,356,567	101.0%

Budget to Actual FY2015
($ thousands)

Mid-Year Budget Review and Projections

FY2015 (July 1, 2014 to June 30, 2015)

Gross Receipts Revenue Thru December 31, 2014



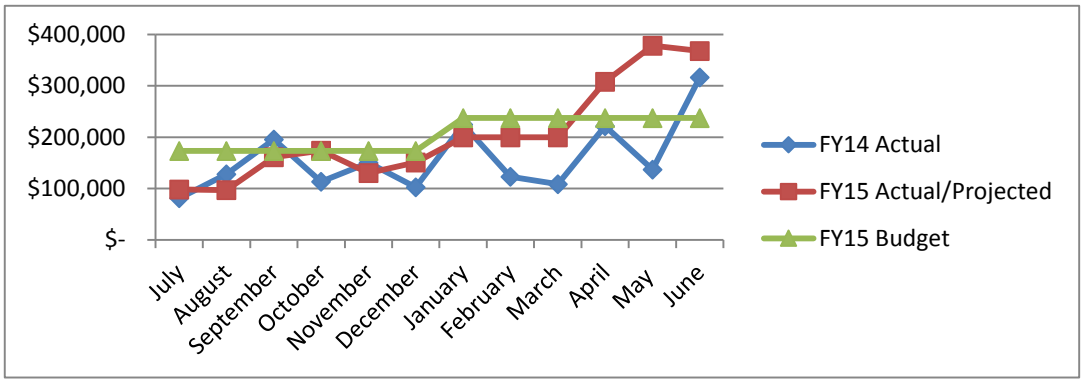
Budget to Actual FY2013
($ thousands)

Month of Activity	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual/Projection	FY15 Budget	Actual Revenue % of Monthly Budget	
July	592,835	590,847	631,877	$ 640,624	$ 591,976	108%	
August	696,792	645,616	628,640	$ 586,498	$ 617,235	95%	Actual
September	832,940	717,978	716,096	$ 711,748	$ 709,422	100%	
October	476,325	390,334	513,319	$ 524,100	$ 506,654	103%	
November	538,683	520,528	518,926	$ 525,568	$ 519,288	101%	
December	655,468	614,240	606,606	$ 644,437	$ 632,996	102%	
January	536,416	537,863	528,397	$ 506,180	$ 501,003	101%	
February	392,583	504,470	498,296	$ 470,814	$ 463,312	102%	Projected
March	562,713	561,238	569,093	$ 549,914	$ 541,081	102%	
April	669,266	647,379	656,754	$ 564,089	$ 563,818	100%	
May	598,734	561,423	503,533	$ 566,182	$ 561,352	101%	
June	575,421	579,356	569,584	$ 611,388	$ 600,963	102%	
Total	**$ 7,128,176**	**$ 6,871,271**	**$ 6,941,122**	**$ 6,901,541**	**$ 6,809,100**	101%	**$ 92,441**

Mid-Year Budget Review and Projections

FY2015 (July 1, 2014 to June 30, 2015)

Grant Revenue



Budget to Actual FY2014
($ thousands)

	FY14 Actual	FY15 Actual/Projected	FY15 Budget	Actual Revenue % of Monthly Budget	
July	$ 81,096	$ 98,061	$ 173,366	57%	
August	$ 127,744	$ 96,946	$ 173,366	56%	
September	$ 195,614	$ 160,962	$ 173,366	93%	Actual
October	$ 113,711	$ 174,066	$ 173,366	100%	
November	$ 150,353	$ 130,134	$ 173,366	75%	
December	$ 102,402	$ 151,000	$ 173,366	87%	
January	$ 224,669	$ 200,000	$ 237,512	84%	
February	$ 123,056	$ 200,000	$ 237,512	84%	
March	$ 108,529	$ 200,000	$ 237,512	84%	Projected
April	$ 221,326	$ 307,868	$ 237,512	130%	
May	$ 137,177	$ 378,363	$ 237,512	159%	
June	$ 316,361	$ 367,868	$ 237,512	155%	
	$ 1,902,036	**$ 2,465,268**	**$ 2,465,268**	100%	

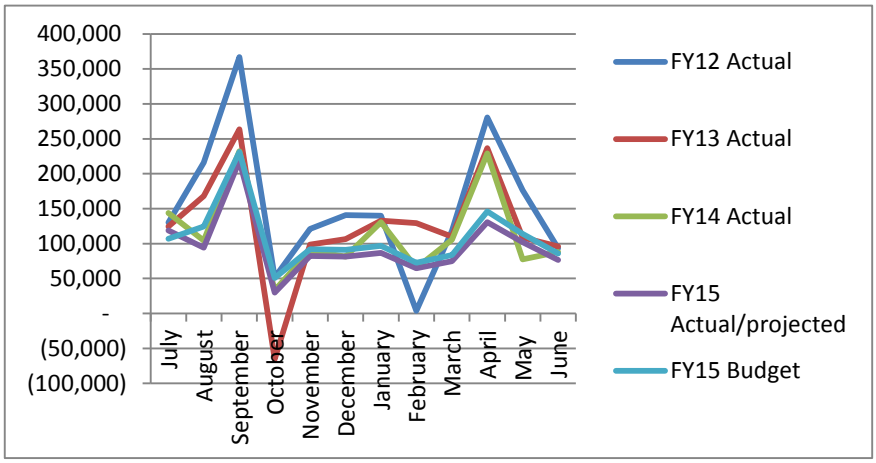
* Includes Budget Adjustment Increase of $384,878 approved by the Board for 5311 federal grant awards for Tribal Transit Grants.

Mid-Year Budget review and projections

FY2015 (July 1, 2014 to June 30, 2015)

Gross Receipts Revenue By County

LOS ALAMOS COUNTY



Month of Activity	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual/projected	FY15 Budget	Actual Revenue % of Monthly Budget
July	130,018	124,560	144,054	$ 118,858	$ 107,130	111%
August	215,861	167,973	104,260	$ 94,019	$ 124,617	75%
September	367,025	263,631	232,251	$ 218,509	$ 231,099	95%
October	51,498	(65,391)	33,137	$ 29,878	$ 50,780	59%
November	120,772	98,601	89,812	82,316	$ 91,973	90%
December	140,847	106,557	81,243	81,620	$ 91,196	90%
January	139,742	132,835	130,526	86,837	$ 97,025	90%
February	3,770	129,189	65,134	64,810	$ 72,413	90%
March	118,403	109,903	105,475	74,664	$ 83,424	90%
April	280,600	236,761	229,085	130,663	$ 145,992	90%
May	176,478	108,859	77,439	102,026	$ 113,995	90%
June	93,134	95,990	88,084	76,752	$ 85,756	90%
	1,838,146	1,509,468	1,380,501	1,160,952	1,295,400	90%

Actual

Projected

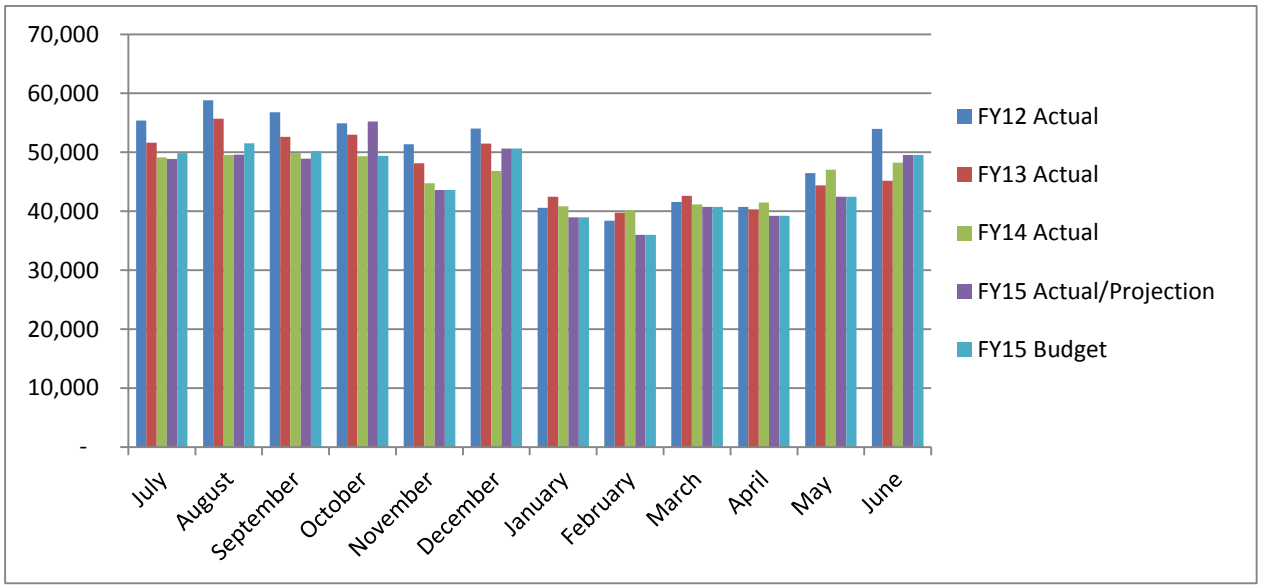
Los Alamos County: The revenue deficit is $52,362 for the first 4 months of FY15. An all-time low of $29,878 (other than months with credits) was collected for the month of October, due partially to the start of the new federal fiscal year for the the Los Alamos Labs. The revenue for the remainder of the fiscal year is projected to be 10% below budget (averaging 10.2% below budget for the first 4 months), which results in a deficit of $134,448 by year end.

MONTHLY BOARD REPORT

FY2015 (July 1, 2014 to June 30, 2015)

Gross Receipts Revenue By County

RIO ARRIBA COUNTY



Month of Activity	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual/Projection	FY15 Budget	Actual Revenue % of Monthly Budget	
July	55,408	51,622	49,128	$ 48,852	$ 49,882	98%	
August	58,814	55,703	49,535	$ 49,585	$ 51,509	96%	Actual
September	56,781	52,600	49,857	$ 48,926	$ 50,208	97%	
October	54,911	53,009	49,363	$ 55,224	$ 49,394	112%	
November	51,363	48,144	44,753	43,593	$ 43,593	100%	
December	54,028	51,452	46,846	50,641	$ 50,641	100%	
January	40,611	42,472	40,853	38,984	$ 38,984	100%	
February	38,417	39,752	40,153	36,002	$ 36,002	100%	Projected
March	41,602	42,612	41,156	40,719	$ 40,719	100%	
April	40,766	40,315	41,493	39,255	$ 39,255	100%	
May	46,478	44,368	47,047	42,454	$ 42,454	100%	
June	53,981	45,151	48,230	49,559	$ 49,559	100%	
	593,160	567,199	548,414	$ 543,794	$ 542,200	100%	

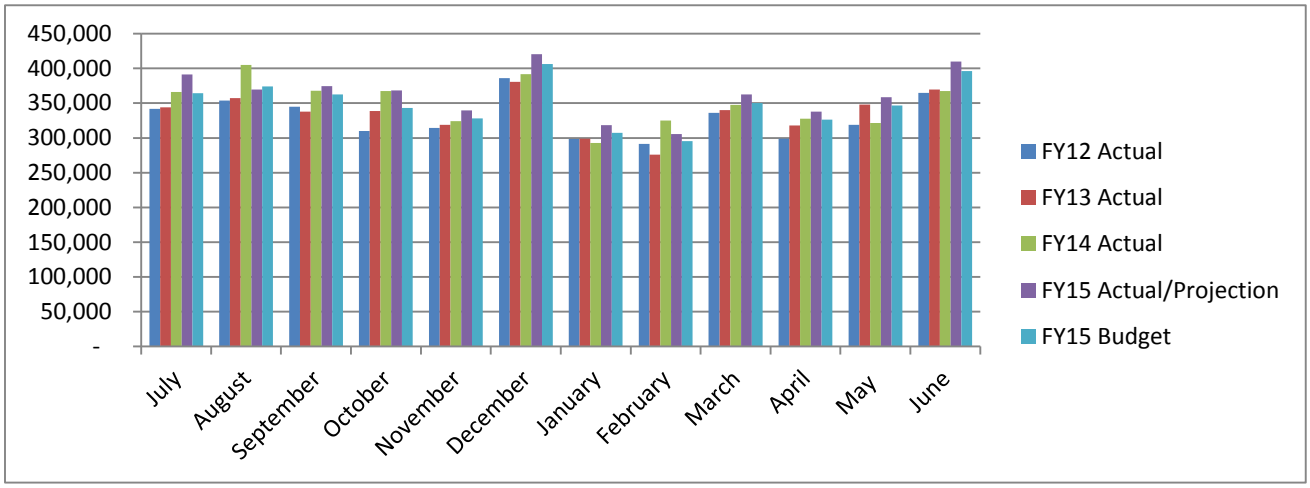
Rio Arriba County: The first 4 months of GRT actual revenues is averaging nearly 1% above budget. Revenues for the remaining eight months are projected at 100% of the budget, a surplus of $1,594 by the end of FY15.

MONTHLY BOARD REPORT

FY2015 (July 1, 2014 to June 30, 2015)

Gross Receipts Revenue By County

SANTA FE COUNTY



Month of Activity	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual/Projection	FY15 Budget	Actual Revenue % of Monthly Budget	
July	341,717	343,976	366,256	$ 391,422	$ 364,140	107%	
August	353,581	357,202	404,993	$ 369,825	$ 374,220	99%	Actual
September	344,672	337,614	367,698	$ 374,721	$ 362,460	103%	
October	310,170	338,872	367,580	$ 368,292	$ 343,140	107%	
November	314,413	318,969	324,305	339,501	$ 328,020	104%	
December	385,881	380,531	391,697	420,355	$ 406,140	104%	
January	298,696	298,821	292,787	318,200	$ 307,440	104%	
February	291,582	276,041	325,160	305,594	$ 295,260	104%	Projected
March	336,024	339,972	347,639	362,540	$ 350,280	104%	
April	299,091	318,123	327,435	337,762	$ 326,340	104%	
May	318,839	347,884	321,582	358,628	$ 346,500	104%	
June	364,705	369,615	367,223	409,922	$ 396,060	104%	
	3,959,371	4,027,622	4,204,356	$ 4,356,761	$ 4,200,000	104%	

** Note - One-half of the SF County GRT is allocated to Rio Metro

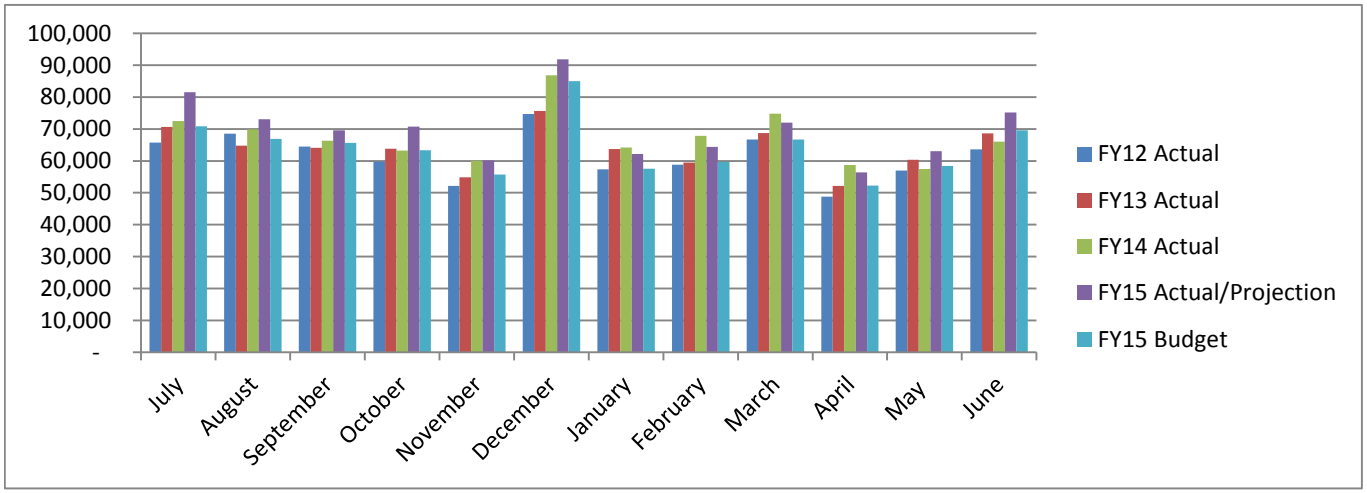
Santa Fe County: The average for the the first 4 months of FY15 is 4% above the budget, and 3.5% above the budget for the remainder of FY15. The FY15 end-of-the-year surplus is projected to be $156,761. Half of this surplus will be transferred to Rio Metro Transit District, which is reflected in the expenditure projections.

MONTHLY BOARD REPORT

FY2015 (July 1, 2014 to June 30, 2015)

Gross Receipts Revenue By County

TAOS COUNTY



Month of Activity	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual/Projection	FY15 Budget	Actual Revenue % of Monthly Budget	
July	65,693	70,690	72,438	$ 81,492	$ 70,824	115%	
August	68,537	64,738	69,852	$ 73,069	$ 66,889	109%	Actual
September	64,462	64,133	66,290	$ 69,591	$ 65,655	106%	
October	59,745	63,843	63,238	$ 70,706	$ 63,340	112%	
November	52,134	54,813	60,056	$ 60,158	$ 55,702	108%	
December	74,712	75,700	86,820	$ 91,821	$ 85,019	108%	
January	57,367	63,735	64,231	$ 62,158	$ 57,554	108%	
February	58,815	59,488	67,849	$ 64,408	$ 59,637	108%	Projected
March	66,684	68,751	74,823	$ 71,991	$ 66,658	108%	
April	48,810	52,180	58,741	$ 56,409	$ 52,231	108%	
May	56,939	60,312	57,466	$ 63,075	$ 58,403	108%	
June	63,601	68,600	66,048	$ 75,155	$ 69,588	108%	
	737,499	766,981	807,850	$ 840,033	$ 771,500	109%	

Taos County: Revenue projections for the first four months of FY15 is averaging 10.1% above the budget and 8% for the remainder of FY15. The FY15 end-of-the-year surplus is projectded to be $68,533.

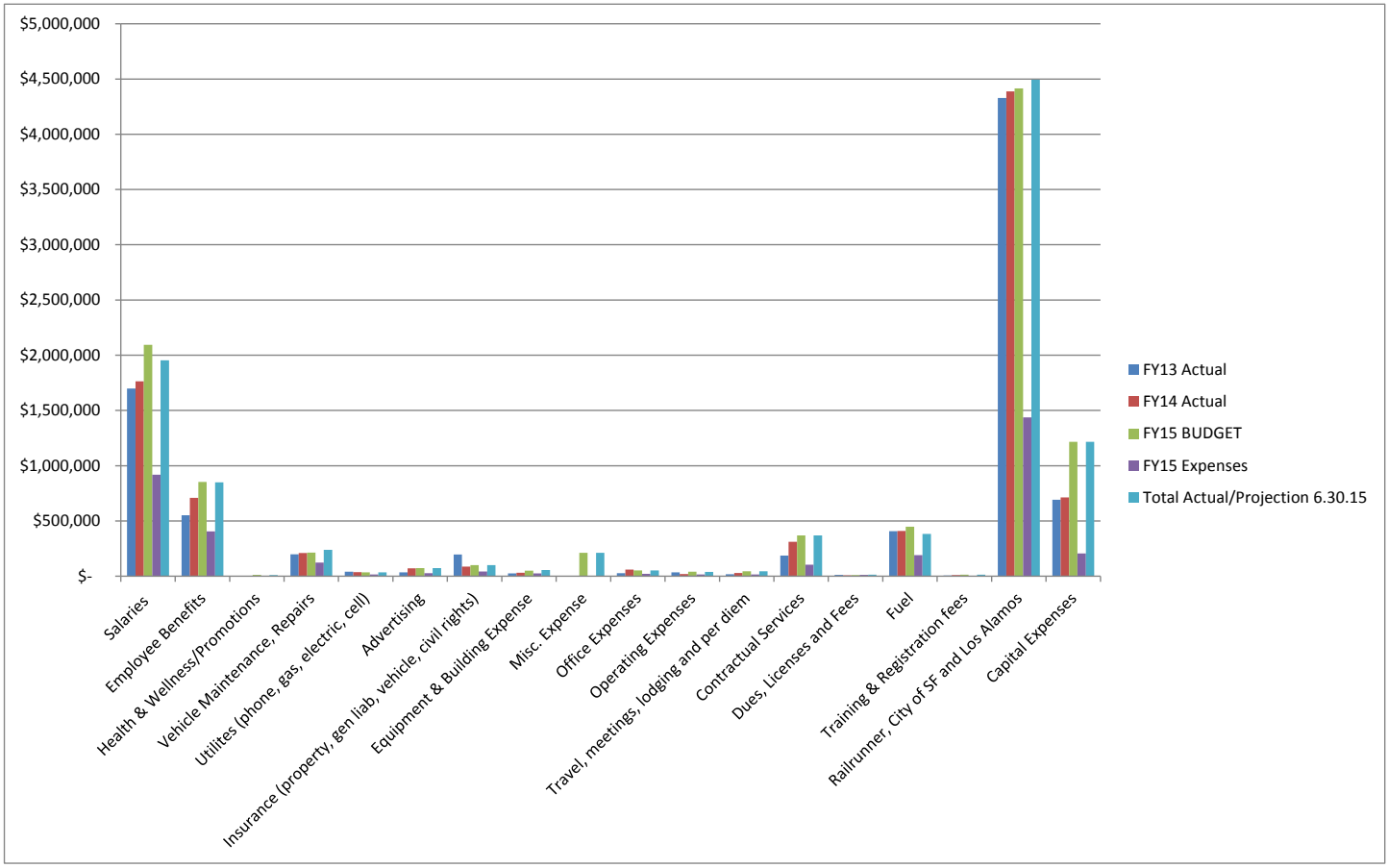
Mid-Year Budget Review and Projections

FY2015 (July 1, 2014 to June 30, 2015)

NCRTD Expenses by Type

As of December 31, 2014

Year to Date Budget Variance 50%



Comparative Expenses by Type

	FY13 Actual	FY14 Actual	FY15 BUDGET	FY15 Expenses	YTD Budget Variance 50%	Projected Amt. Remaining 6 Months/6.30.15	Total Actual/Projection 6.30.15	Difference
Salaries	$ 1,699,079	$ 1,764,308	$ 2,093,276	$ 919,246	43.9%	1,034,483	1,953,729	139,547
Employee Benefits	$ 550,997	$ 709,864	$ 853,514	$ 405,360	47.5%	444,867	850,227	3,287
Health & Wellness/Promotions	$ -	$ -	$ 12,000	$ 1,413	11.8%	8,237	9,650	2,350
Vehicle Maintenance, Repairs	$ 198,587	$ 209,603	$ 214,100	$ 122,507	57.2%	115,965	238,472	(24,372)
Utilites (phone, gas, electric, cell)	$ 41,118	$ 36,053	$ 35,172	$ 15,417	43.8%	19,755	35,172	0
Advertising	$ 35,137	$ 70,706	$ 73,970	$ 27,851	37.7%	46,119	73,970	0
Insurance (property, gen liab, vehicle, civil rights)	$ 196,836	$ 87,589	$ 100,311	$ 42,646	42.5%	57,665	100,311	0
Equipment & Building Expense	$ 24,986	$ 31,124	$ 50,200	$ 24,378	48.6%	31,202	55,580	(5,380)
Misc. Expense	$ -	$ -	$ 212,552	$ -	0.0%	212,552	212,552	0
Office Expenses	$ 27,427	$ 59,286	$ 52,835	$ 21,676	41.0%	31,159	52,835	0
Operating Expenses	$ 35,014	$ 19,948	$ 40,160	$ 15,311	38.1%	24,049	39,360	800
Travel, meetings, lodging and per diem	$ 17,789	$ 29,654	$ 44,088	$ 14,764	33.5%	28,831	43,595	493
Contractual Services	$ 186,358	$ 311,414	$ 369,223	$ 105,013	28.4%	264,210	369,223	(0)
Dues, Licenses and Fees	$ 12,263	$ 8,597	$ 10,666	$ 11,445	107.3%	2,000	13,445	(2,779)
Fuel	$ 406,653	$ 410,199	$ 447,723	$ 191,377	42.7%	191,377	382,754	64,969
Training & Registration fees	$ 6,645	$ 9,024	$ 13,624	$ 2,522	18.5%	11,102	13,624	0
Railrunner, City of SF and Los Alamos	$ 4,327,824	$ 4,387,272	$ 4,415,094	$ 1,437,949	32.6%	3,055,526	4,493,475	(78,381)
Capital Expenses	$ 692,793	$ 713,439	$ 1,215,618	$ 205,720	16.9%	1,009,898	1,215,618	0
TOTAL	**$ 8,459,506**	**$ 8,858,080**	**$ 10,254,126**	**$ 3,564,594**	**34.8%**	**$ 6,588,997**	**$ 10,153,591**	**$ 100,535**

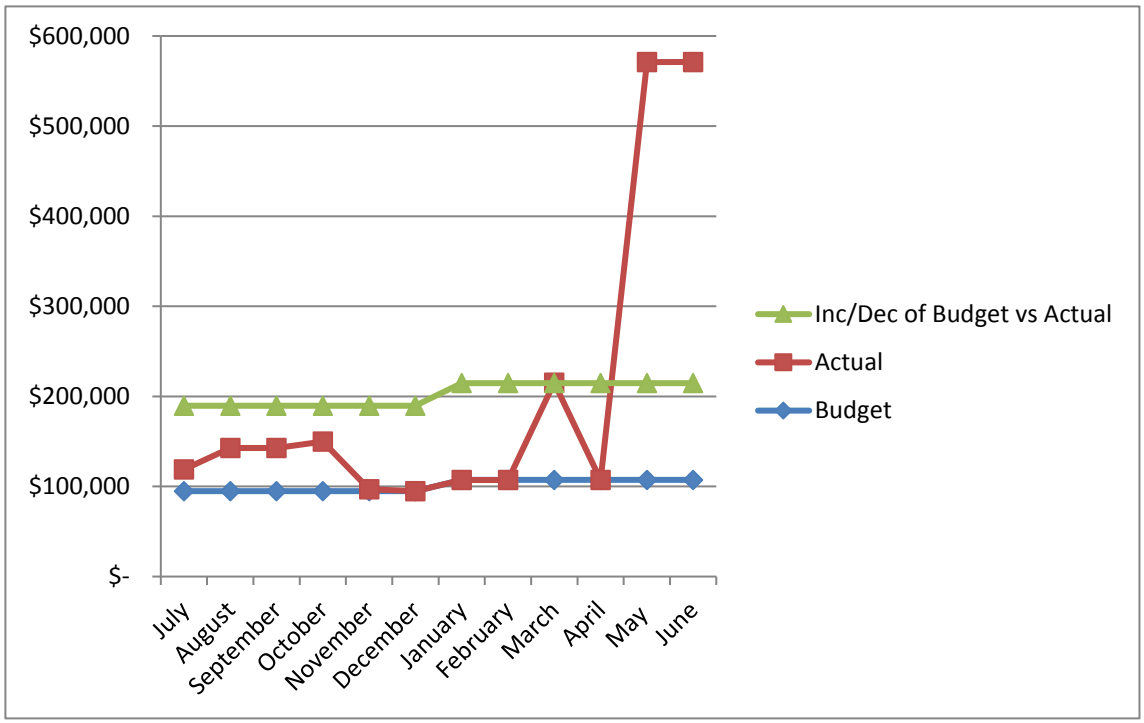
*The NCRTD will have a slight surplus at the end of the year in expenditures in the amount of $100,535. The deficit in the Non-RTD expenditures of $78,381 is offset from the revenue that is anticipated to come in from Santa Fe County as half of GRT revenue automatically goes to the Rail Runner.

Mid-Year Budget Review and Projections

FY2015 (July 1, 2014 to June 30, 2015)

Capital Expense Summary

Year to Date Budget Variance 50%



Budget to Actual FY2014
($ thousands)

	Budget	Actual	Inc/Dec of Budget vs Actual	YTD Budget Variance 50%	
July	$ 94,781	$ 23,987	$ 70,794	25%	
August	$ 94,781	$ 47,975	$ 46,806	51%	
September	$ 94,781	$ 47,975	$ 46,806	51%	Actual
October	$ 94,781	$ 55,184	$ 39,597	58%	
November	$ 94,781	$ 1,972	$ 92,809	2%	
December	$ 94,781	$ -	$ 94,781	0%	
January	$ 107,322	$ -	$ 107,322	0%	
February	$ 107,322	$ -	$ 107,322	0%	
March	$ 107,322	$ 107,868	$ (546)	101%	Projected
April	$ 107,322	$ -	$ 107,322	0%	
May	$ 107,322	$ 463,828	$ (356,506)	432%	
June	$ 107,322	$ 463,829	$ (356,507)	432%	
	$ 1,212,618	**$ 1,212,618**		**100.0%**	

* Includes budget increase of $75,245 approved by the Board.

Finance Subcommittee

Meeting December 19, 2014

9:00 a.m.

Board Members Present: *Commissioner Miguel Chavez – Santa Fe County (Telephonically) and Philo Shelton – Los Alamos County (Telephonically)*

Staff Present: *Anthony Mortillaro – Executive Director and Dalene Lucero – Executive Assistant*

Guest(s) Present*:*

Absent: *Commissioner Barney Trujillo - Rio Arriba County, Tim Vigil – Pueblo of Pojoaque, Leandro Cordova - Taos County*

Transcribed By: Dalene E. Lucero – Executive Assistant

ROLL CALL

APPROVAL OF AGENDA

CALL TO ORDER

A regular Finance Subcommittee meeting was called to order on the above date by Mr. Mortillaro at 9:00 a.m.

ITEMS FOR DISCUSSION/RECOMMENDATION

A. Discussion and Review of Quarterly Investment Report

Mr. Mortillaro gave a brief overview regarding the Quarterly Investment report as of September 30, 2014. The total investment inclusive of interest revenue was $5,984,657. Additionally, the total earnings from interest totals $9,168 since the inception of the investment program. Mr. Mortillaro continued, stating that the average rate of return is .356%, by which the highest earned income is .70% with US New Mexico FCU (6 month term) earning the district a total of $997.87 in interest. The current quarter from July through September of 2014 earned a total of $4,308 in interest, and during that time, the NCRTD renewed 4 of its Certificate of Deposits with Los Alamos National Bank and extended the agreements to 12 months. The initial agreements ranged from 3 to 6 months.

Mr. Mortillaro continued, stating that 32% of the $5,984,657 invested is in 3-5 month CD, 4% is of the amount is in a 6-8 month CS, 13% is in a 9-11 month CD and lastly, 35% of the amount invested is in a 12 month CD. All CDs are collateralized by Los Alamos National Bank, as most of the CDs are in excess of $250,000.

Mr. Shelton asked what the LGIP was.

Mr. Mortillaro responded, stating that it was the Local Government Investment Pool, which is a short term, safe and secure investment pool managed by the State Treasurers Office. He stated that many cities, counties and tribal entities participate in the LGIP.

Commissioner Chavez asked if Mr. Mortillaro could give a brief overview on the LGIP as he thought it was a new addition to the District's investment portfolio.

Mr. Mortillaro stated that it was not new. He noted that it was one of the first investments of funds the District made.

Commissioner Chavez apologized. He stated that he did remember meeting with the State Treasurers Office Staff to discuss investment in the LGIP. He continued, stating that the District has done really well over the last year with the investment of District funds.

Mr. Mortillaro agreed. He noted that the whole program was fairly new, but the returns are much better than prior years. Mr. Mortillaro continued, stating that the District utilizes the 90-day US Treasury Bill as a benchmark for return on investment. Whereas, the District's average rate of return is almost 9-times that at a rate of .356%.

Further discussion continued on this item.

It was recommended that a motion be made to accept the Quarterly Investment Report and forward to the Board of Directors for review.

Mr. Shelton made a motion to accept the Quarterly Investment Report and forward to the Board of Directors for review (2-0).

B. Minutes from November 21, 2014

Mr. Mortillaro asked the Finance Subcommittee to review and approve the minutes from November 21, 2014.

Commissioner Chavez made a motion to approve the minutes from November 21, 2014. Mr. Shelton seconded the motion and it passed by unanimous voice vote (2-0).

MATTERS FROM THE SUBCOMMITTEE

ADJOURN

The Finance Subcommittee meeting was adjourned at 9:13 a.m.

The next Finance Subcommittee meeting will be held on January 23, 2015 at 9:00 a.m.